

HOUSE BILL NO. 438

INTRODUCED BY D. SANDS

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR A VOLUNTARY GREEN LODGING FACILITY DESIGNATION PROGRAM AND USE OF THE LODGING FACILITY TAX FOR IMPLEMENTATION; EXPANDING RESPONSIBILITIES OF THE TOURISM ADVISORY COUNCIL AND THE DEPARTMENT OF COMMERCE REGARDING THE GREEN LODGING FACILITY DESIGNATION PROGRAM; AMENDING SECTIONS 2-15-1816, 15-65-121, AND 90-1-105, MCA; AND PROVIDING AN EFFECTIVE DATE."

WHEREAS, the State of Maine through its Department of Environmental Protection has developed a voluntary certification program for environmental leaders in hospitality that is estimated to have saved each participating business an average of more than \$10,000 each year in energy and chemical costs in addition to saving an estimated 16.6 million gallons of water and 9.5 million kilowatt hours of electricity a year, which is more than 100,000 kilowatt hours for each participant on average; and

WHEREAS, other states, such as Florida and California, also have developed programs promoting green lodging, with the goals of reducing waste sent to landfills and adapting conservation practices so that lodging facilities may capitalize on these programs to save money and boost their "green" credentials for advertising purposes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Green lodging facility designation program. (1) In promoting economic development as provided under 90-1-105, the department of commerce may establish a green lodging facility designation program and use lodging facility tax funds to operate the program, as provided in 15-65-121.

(2) A facility may voluntarily participate in the green lodging facility designation program.

(3) Participation in the green lodging facility designation program entitles a facility to display logos and be included in promotional materials prepared by the department that acknowledge the facility's efforts to reduce environmental impacts while saving money. The department may develop other voluntary program benefits in consultation with the tourism advisory council established in 2-15-1816.

(4) The department may adopt rules providing for procedures and forms that qualify a facility as eligible

1 for a green lodging facility designation.

2 (5) For the purposes of this section, "facility" has the meaning provided in 15-65-101.

3
4 **Section 2.** Section 2-15-1816, MCA, is amended to read:

5 **"2-15-1816. Tourism advisory council.** (1) There is created a tourism advisory council.

6 (2) The council is composed of not less than 12 members appointed by the governor from Montana's
7 private sector travel industry and includes at least one member from Indian tribal governments, with
8 representation from each tourism region initially established by executive order of the governor and as may be
9 modified by the council under subsection (5).

10 (3) Members of the council shall serve staggered 3-year terms, subject to replacement at the discretion
11 of the governor. The governor shall designate four of the initial members to serve 1-year terms and four of the
12 initial members to serve 2-year terms.

13 (4) The council shall:

14 (a) oversee distribution of funds to regional nonprofit tourism corporations for tourism promotion and to
15 nonprofit convention and visitors bureaus in accordance with Title 15, chapter 65, part 1, and this section;

16 (b) advise the department of commerce relative to tourism promotion, including implementation of the
17 green lodging facility designation program provided for in [section 1];

18 (c) advise the governor on significant matters relative to Montana's travel industry;

19 (d) prescribe allowable administrative expenses for which accommodation tax proceeds may be used
20 by regional nonprofit tourism corporations and nonprofit convention and visitors bureaus;

21 (e) direct the university system regarding Montana travel research;

22 (f) approve all travel research programs prior to ~~their~~ a program being undertaken; and

23 (g) encourage regional nonprofit tourism corporations to promote tourist activities on Indian reservations
24 in their regions.

25 (5) The council may modify the tourism regions established by executive order of the governor.

26 (6) The department of commerce shall adopt ~~such~~ rules ~~as~~ that may be necessary to implement and
27 administer Title 15, chapter 65, part 1, and this section."

28
29 **Section 3.** Section 15-65-121, MCA, is amended to read:

30 **"15-65-121. Distribution of tax proceeds.** (1) The proceeds of the tax imposed by 15-65-111 must,

1 in accordance with the provisions of 17-2-124, be deposited in an account in the state special revenue fund to
2 the credit of the department. The department may spend from that account in accordance with an expenditure
3 appropriation by the legislature based on an estimate of the costs of collecting and disbursing the proceeds of
4 the tax. Before allocating the balance of the tax proceeds in accordance with the provisions of 17-2-124 and as
5 provided in subsections (1)(a) through (1)(e) of this section, the department shall determine the expenditures by
6 state agencies for in-state lodging for each reporting period and deduct 4% of that amount from the tax proceeds
7 received each reporting period. The amount deducted must be deposited in the fund or funds from which in-state
8 lodging expenditures were paid by state agencies. The amount of \$400,000 each year must be deposited in the
9 Montana heritage preservation and development account provided for in 22-3-1004. The balance of the tax
10 proceeds received each reporting period and not deducted pursuant to the expenditure appropriation, deposited
11 in the fund or funds from which in-state lodging expenditures were paid by state agencies, or deposited in the
12 heritage preservation and development account is statutorily appropriated, as provided in 17-7-502, and must
13 be transferred to an account in the state special revenue fund to the credit of the department of commerce ~~for~~
14 ~~tourism promotion and promotion of the state as a location for the production of motion pictures and television~~
15 ~~commercials~~, to the Montana historical society, to the university system, and to the department of fish, wildlife,
16 and parks, as follows:

17 (a) 1% to the Montana historical society to be used for the installation or maintenance of roadside
18 historical signs and historic sites;

19 (b) 2.5% to the university system for the establishment and maintenance of a Montana travel research
20 program;

21 (c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state parks that
22 have both resident and nonresident use;

23 (d) 67.5% to be used directly by the department of commerce for:

24 (i) tourism promotion;

25 (ii) promotion of the state as a location for the production of motion pictures and television commercials;

26 and

27 (iii) implementation of a voluntary green lodging facility designation program as provided in [section 1];

28 and

29 (e) (i) except as provided in subsection (1)(e)(ii), 22.5% to be distributed by the department to regional
30 nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total proceeds

1 collected statewide; and

2 (ii) if 22.5% of the proceeds collected annually within the limits of a city, consolidated city-county, resort
3 area, or resort area district exceeds \$35,000, 50% of the amount available for distribution to the regional nonprofit
4 tourism corporation in the region where the city, consolidated city-county, resort area, or resort area district is
5 located, to be distributed to the nonprofit convention and visitors bureau in that city, consolidated city-county,
6 resort area, or resort area district.

7 (2) If a city, consolidated city-county, resort area, or resort area district qualifies under this section for
8 funds but fails to either recognize a nonprofit convention and visitors bureau or submit and gain approval for an
9 annual marketing plan as required in 15-65-122, then those funds must be allocated to the regional nonprofit
10 tourism corporation in the region in which the city, consolidated city-county, resort area, or resort area district is
11 located.

12 (3) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual marketing
13 plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit tourism corporation
14 may be used by the department of commerce for tourism promotion ~~and, for~~ promotion of the state as a location
15 for the production of motion pictures and television commercials, and for implementation of the voluntary green
16 lodging facility designation program provided for in [section 1]."

17
18 **Section 4.** Section 90-1-105, MCA, is amended to read:

19 **"90-1-105. Functions of department of commerce -- economic development.** The department of
20 commerce shall:

21 (1) provide coordinating services to aid state and local groups and Indian tribal governments in the
22 promotion of new economic enterprises and conduct publicity and promotional activities in connection with new
23 economic enterprises;

24 (2) collect and disseminate information regarding the advantages of developing agricultural, recreational,
25 commercial, and industrial enterprises within this state;

26 (3) serve as an official state liaison between persons interested in locating new economic enterprises
27 in Montana and state and local groups and Indian tribal governments seeking new enterprises;

28 (4) aid communities and Indian tribal governments interested in obtaining new business or expanding
29 existing business;

30 (5) (a) study and promote means of expanding markets for Montana products; and

(b) provide training and assistance for Montana small businesses and entrepreneurs to expand markets for made-in-Montana products;

(6) encourage and coordinate public and private agencies or bodies in publicizing the facilities and attractions of the state;

(7) implement a voluntary green lodging facility designation program aimed at preserving the state's scenic beauty and the health and safety of travelers in this state by diverting waste from landfills, conserving energy and water, and improving indoor air quality;

~~(7)~~(8) explore the use of cooperative agreements, as provided in Title 18, chapter 11, part 1, for the promotion and enhancement of economic opportunities on the state's Indian reservations; and

~~(8)~~(9) assist the state-tribal economic development commission established in 90-1-131 in:

(a) identifying federal government and private sector funding sources for economic development on Indian reservations in Montana; and

(b) fostering and providing assistance to prepare, develop, and implement cooperative agreements, in accordance with Title 18, chapter 11, part 1, with each of the tribal governments in Montana."

NEW SECTION. **Section 5. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 90, chapter 1, part 1, and the provisions of Title 90, chapter 1, part 1, apply to [section 1].

NEW SECTION. **Section 6. Effective date.** [This act] is effective July 1, 2009.

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